AMENDED IN SENATE JUNE 20, 2002 AMENDED IN ASSEMBLY APRIL 18, 2002

CALIFORNIA LEGISLATURE—2001-02 REGULAR SESSION

ASSEMBLY BILL

No. 2449

Introduced by Assembly Member Correa

February 21, 2002

An act to add Section 7401 to, and to add Article 6.5 (commencing with Section 7353.1) to Chapter 10 of Division 3 of, the Business and Professions Code, relating to barbering and cosmetology.

LEGISLATIVE COUNSEL'S DIGEST

AB 2449, as amended, Correa. Barbering and cosmetology: independent contractors.

Existing law, the Barbering and Cosmetology Act, provides a comprehensive scheme of regulation and licensure for persons practicing barbering, cosmetology, skin care, nail care, or electrolysis.

This bill would require an establishment owner to display a notice to the public when an independent contractor or booth renter works in the establishment.

Existing law requires the bureau to furnish forms for license applications.

This bill would require the bureau to require an applicant to identify himself or herself as an employee, an independent contractor or booth renter, or a salon owner.

This bill would require a person licensed under the act to report certain information with respect to his or her practice status to the bureau upon license renewal. The bill would require the bureau to AB 2449 — 2 —

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report to the Senate Committee on Business and Professions and the Assembly Committee on Business and Professions within 5 years after the implementation of this bill on the information collected.

Existing law provides that a violation of the act is a misdemeanor unless another penalty is specified.

In enlarging the scope of activities subject to that penalty, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Article 6.5 (commencing with Section 7353.1) is added to Chapter 10 of Division 3 of the Business and Professions Code, to read:

Article 6.5. Independent Contractor Guidelines

7353.1. The Legislature hereby finds and declares that there exists in this state a need to protect the integrity of the beauty and barbering industry by disclosing important information to consumers and by requiring the beauty and barbering industry to disclose licensing and tax information to the appropriate regulatory boards. For this purpose, the Legislature intends to enact public and regulatory disclosure requirements.

- 7353.2. (a) "Booth renters," as used in this article, includes anyone performing barbering, cosmetology, electrolysis, nail care, or skin care as an independent contractor.
- (b) "Independent contractor," as used in this article, refers to anyone working in the beauty or barbering industry as an independent contractor performing services including barbering, cosmetology, electrolysis, nail care, or skin care.
- 7353.5. An establishment owner who runs a beauty or barbering facility where an independent contractor or booth renter

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works shall prominently display a disclosure to the public that some or all of the stylists are independent contractors, and are not employees of the owner or the publicly displayed name of the physical establishment. An establishment owner shall conspicuously post the following notice in the reception area in a font size no smaller than 24-point type:

"SOME OR ALL OF THE STYLISTS WORKING IN THIS FACILITY ARE INDEPENDENT CONTRACTORS OR **BOOTH RENTERS AND ARE NOT LEGALLY AFFILIATED** 9 10 WITH [INSERT THE PUBLICLY DISPLAYED NAME OF THE 11 PHYSICAL ESTABLISHMENT]."

- 12 SEC. 2.—Section 7401 is added to the Business and Professions 13 Code, to read:
- 7401. The bureau shall require an applicant for an original 15 license or a license renewal to identify himself or herself on the application as one of the following:
 - (a) Employee.

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- (b) Independent contractor or booth renter.
- (c) Salon owner. (a) An individual licensed pursuant to Section 7396 shall report to the bureau at the time of license renewal, his or her practice status, designated as one of the following:
 - (1) Full-time practice in California.
- 24 (2) Full-time practice outside of California.
 - (3) Part-time practice in California.
 - (4) Not working in the industry.
 - (5) Retired.
- 28 (6) Other practice status, as may be further defined by the 29
- 30 (b) An individual licensed pursuant to Section 7396 shall, at the 31 time of license renewal, identify himself or herself on the application as one of the following: 32
- 33 (1) Employee.
 - (2) Independent contractor or booth renter.
 - (3) Salon owner.
- 36 (c) An individual licensed pursuant to Section 7347 shall report
- to the bureau at the time of license renewal, whether either of the 37
- *following is applicable to him or her:*
- (1) He or she has a booth renter operating in the establishment. 39

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- (2) He or she has an independent contractor operating in the establishment.
- (d) The bureau shall report to the Senate Committee on Business and Professions and the Assembly Committee on Business and Professions within five years after the 6 implementation of the provisions of this section on the licensee information collected, including an assessment of whether a certain type of licensee is more likely to receive complaints or citations, or to fail to pay taxes, and any recommendation on how to remedy problems found.

SEC. 3.

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SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or 16 infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of 18 the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California 20 Constitution.